

GOVERNMENT OF TELANGANA  
ABSTRACT

MINES & MINERALS - Mining Lease granted for Iron Ore over an extent of 8.00 Hectares in Sy.No.45/1 of Motlathimmapuram Village, Bayyaram Mandal, Khammam District in favour of Sri Jatoth Mark Raju - Determination of the mining lease as per Rule 27(5) of Mineral Concession Rules, 1960 - Orders - Issued.

-----

INDUSTRIES & COMMERCE (M.II) DEPARTMENT

G.O.MS.No. 4

Dated: 08.01.2015

Read the following:

1. G.O.Ms.No.24, Industries & Commerce (M-II) Department, dt.29-01-2009.
2. From the Director of Mines & Geology, Hyderabad File No.6407/R6-2/2011.
3. Govt. Memo No. 4177/M.III(2)/2013, Ind.& Com (M.III) Dept., dt.28.03.2013.
4. From Sri Jatoth Mark Raju, Representation dated:30-4-2013.
5. From the Director of Mines & Geology, Hyderabad File No. 6407/R6-2/2011.

--::o0o::--

**ORDER:**

In the reference 1<sup>st</sup> read above, Government have accorded permission to Sri Tejavath Shankar Rao for transfer of Mining Lease held by him for Iron Ore over an extent of 8.00 Hectares in Sy.No.45/1 of Motlathimmapuram Village, Bayyaram Mandal, Khammam District in favour of Sri Jatoth Mark Raju for the un-expired portion of the lease period i.e. upto 03-04-2025. The transfer lease deed was executed by Sri Jatoth Mark Raju on 02.03.2009 and the Assistant Director of Mines & Geology, Kothagudem vide Procd.No.243/M/2009, dt.02-03-2009 issued work orders to continue the mining operations. The said Mining Lease will be in force upto 03.04.2025.

2. In the reference 2<sup>nd</sup> read above, the Director of Mines & Geology, Hyderabad has reported that in November, 2009 an adverse news item appeared in Andhra Jyothi Telugu daily under caption "Ikkada Inuparai Pandutondi" alleging about illegal mining of Iron Ore in Forest and Pattaland in different villages of Bayyaram Mandal. The officials of the Regional Vigilance & Enforcement, Warangal, the Deputy Director of Mines & Geology, Warangal, the Assistant Director of Mines & Geology, Kothagudem, the Assistant Director of Mines & Geology (Vig.), Mahabubabad, the Revenue Officials of Bayyaram Mandal and Regional Mobile Squad, Khammam unit have jointly inspected the Mining lease area and seized illegally extracted Iron Ore duly conducting panchanama. The seized mineral was handed over to the Tahsildar, Bayyaram Mandal, Khammam District for custody and subsequently, the seized material was disposed under Section 21(1) and 21(5) of Mines & Minerals (D&R) Act,1957.

3. The Director of Mines & Geology, Hyderabad based on the joint inspection report, has submitted proposal to the Government for determination of the above said Mining Lease held by Sri J. Mark Raju under Rule 27(5) of Mineral Concession

(P.T.O.)

Rules, 1960, on the following grounds:

- (i) As per modified Approved Mining Plan, the total production of Iron Ore upto October, 2009 is 1,54,470 MT and the mineable reserves still available is about 3,46,850 MT. Whereas, the total reserves estimated in the leased area is 1,12,510 MT only. But, the lease holder obtained permits for 1,43,324 MT (upto June 2010) i.e., the total reserves are almost exhausted. There may be limited left over reserves as the area is not totally opened up.
- (ii) There is parental (source rock) Banded Hematite Quartzite (BHQ) hill (named locally Bayyaram Hill) having the height of about 300 MTs located to the West of the leased area at a distance of 3 Kms falling in Reserve Forest. Illegal mining of Iron Ore is found in surrounding Patta and Government assigned land and also on the slopes of the hillock.
- (iii) The quantity of Iron Ore produced from the pits developed in the leased area did not coincide with the dispatched quantity. Hence, the lessee misused the permits taken in the leased area for illegal procurement of Iron Ore from Forest and Surround pattaland and assigned Government lands.

4. Further, as per the measurement report, the analysis of Iron Ore dispatches made from the leased area vis-à-vis the permits issued to the lease holder, there is variation is noticed which is shown in the below Table-I & II:

TABLE-I

Location & Extent	No. of Pits	Volume	% of Recovery of Iron ore in ROM (50% as per AMP)	Quantity in MT by taking bulk density of Iron Ore as 3.3 (as per AMP)
S.No.45/1 of Motlathimmapuram Village, Bayyaram (M)	167	11073.39	5536.693	18271.088

TABLE-II

Location & Extent	No. of Permits issued	Permitted Quantity (In MT's)	Quantity arrived as per pit measurements (in MT's)	Variation (in MT's)
S.No.45/1 of Motlathimmapuram Village, Bayyaram (M), Ext:8.000 Ha.	82	163289	18271	145018

5. In the reference 3<sup>rd</sup> read above, Government based on the recommendations of DM&G, Hyderabad, have issued a notice to the lessee i.e. Sri J.Mark Raju to show Cause within (15) days from the date of receipt of the Government Memo, as to why the mining lease held by him for Iron Ore over the subject area shall not be determined under Rule 27 of Mineral Concession Rules, 1960.

(P.T.O.)

6. In the reference 4<sup>th</sup> read above, Sri J.Mark Raju has submitted reply to the Government in response to the above said show cause notice. The Director of Mines & Geology, Hyderabad who has been requested to examine and furnish his remarks on the reply submitted by Sri J.Mark Raju, has submitted his remarks vide reference 5<sup>th</sup> read above. The contention of the lessee and the remarks submitted by the DM&G in the matter is as follows:

Sl.No.	Contention of the lease holder	Remarks of Director of Mines & Geology, Hyderabad
1	The permitted quantity mentioned in the show cause notice is contradictory to each other.	No. The permitted quantity reflected in the show cause notice at para-1 of the grounds is 158339 MT. It is upto June, 2010.  Whereas, the quantity shown in Table-2, column-3 of the show cause notice, the quantity is upto April, 2011.
2	As per the Mining Scheme approved by IBM the total reserves available as on 18.03.2010 in the mining lease area is 460522 Mt and dispatched up to June, 2010 is 165291 Mt leaving a balance of 295231 MT.	As per the pit measurements taken on the day of inspection, the quantity worked out is 18271 MT whereas the permit obtained is 163289 MT, thus the quantity of 145018 MT is mis-utilized by the lease holder. Hence, the production and estimated figures given in the modified AMP are incorrect.
3	He has not conducted mining operations other than the Mining Lease area.	Being a lease holder, it is the responsibility to discourage any illegal activity taking place surrounding the leased area by bringing the matter to the regulating authority. At no point of time the lessee lodged/filed any complaint of illegal activity. Instead he encouraged illegal mining outside the leased area by conniving with the illegal operators.
4	Do not know about illegal mining on the slopes of Bayyaram Gutta.	
5	The Forest, Revenue, Mines Department or any other Dept., did not prove/detected any illegal mining conducted or penalized him at any point of time.	Due to meager field staff there was deficiency in monitoring.  But the lease holder cannot take it as an advantage to indulge in illegal activity.
6	The measurements of the pits were taken after a lapse of 5 years which will not coincide as the pits were closed after removal of Iron Ore.	During the subsistence of a lease, the dept., can taken up pit measurements at any point of time, therefore an incorrect contention. Further, no pits were closed completely after removal of Iron Ore. All the (575) pits operated for extraction of Iron ore

		have been measured in presence of the lessee representatives, as per the pit measurement report.
7	The Mining Closure plan was also approved by IBM after removal of mineral from the pits. Hence, the variation in the quantity.	In view of remarks at Item No.5, the contention of variation in quantity is invalid.
8	The volume of Iron Ore taken by arriving at the quantity on the number of pits is not known to him.	The pit measurements to arrive the volume of Iron Ore was conducted in presence of Sri M. Krishna Murthy and Sri Y.Srinivas Rao, representatives of Sri J. Mark Raju.
9	The pit measurements were not taken at the time of issue of dispatch permits or at the time of closure of working pits.	There is no procedure for pit measurements at the time of issue of permits. The Working pits have been partly closed after extraction of the mineral.
10	The reserves estimated, permitted quantity, quantity arrived as per pit measurement by the dept. did not coincide which shows the prejudice mind of the departments which is against the principles of natural justice.	The area granted under mining lease for Iron Ore is covered with "Float Ore" deposited under the influence of the gravity over a period of geological time away from the source of the mineral. In such a case, the reserves of the ore estimated will not change/differ later. Moreover, once the mineral is extracted the area becomes virgin. The Department being regulating authority bear no prejudice/grudge against the lease holder. Further, basing on the Dept. findings the Government issued show cause notice, an ample proof of adherence to the principles of natural justice.
11	He has entered into marketing agreement with sponge iron ore industry for supply of Iron Ore and taken sufficient advance amount, if the Government determines the lessee he will incur heavy loss and fail to accomplish the supply agreement.	Any lease holder ought to operate the mining lease in a workman-like-manner duly abiding the provisions of Act and Rules.  For any violations, clear provisions of Act and Rules will be implied and such action cannot be co-related to the personal interest of the lease holder.

(Contd.P.5)

7. The Director of Mines & Geology, Hyderabad has therefore, requested the Government to take necessary action for determination of Mining Lease for Iron Ore over an extent of 8.00 Hectares in Sy.No.45/1 of Motlathimmapuram Village, Bayyaram Mandal, Khammam District held by Sri J. Mark Raju as per Rule 27(5) of Mineral Concession Rules, 1960 as the explanation submitted to the show cause notice is not satisfactory.

8. Government, after careful consideration of the matter, hereby determine the Mining Lease held by Sri Jatoth Mark Raju for Iron Ore over an extent of 8.00 Hectares in Sy.No.45/1 of Motlathimmapuram Village, Bayyaram Mandal, Khammam District under Rule 27(5) of Mineral Concession Rules, 1960 as the explanation submitted to the show cause notice is not satisfactory as listed in the tabular column in pages (3) and (4).

9. The Director of Mines & Geology, Hyderabad shall take necessary further action accordingly.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)**

**K. PRADEEP CHANDRA**  
**SPECIAL CHIEF SECRETARY TO GOVERNMENT & CIP**

To  
Sri Jatoth Mark Raju,  
S/o. Hemu,  
Mudigonda Village, Nekkonda Mandal,  
Warangal District - 506 122 **(BY RPAD)**  
The Director of Mines & Geology, Hyderabad (with connected file)

**Copy to:**

The Zonal Joint Director of Mines & Geology, Hyderabad.  
The Assistant Director of Mines & Geology, Kothagudem, Khammam District .  
The Secretary to Govt. of India, Ministry of Mines, Sastry Bhavan, New Delhi-110001.  
The Controller General, Indian Bureau of Mines, Indira Bavan, Civil Lines, Nagpur.440001.  
The Director General, Mines Safety, Dhanbad, Jarkand.  
The Regional Controller of Mines, Koti, Hyderabad.  
SF/SCs.(C.No.4110/M.II(2)/2013)

**//FORWARDED::BY ORDER//**

**SECTION OFFICER**